REMARKS

Administrative Overview

Claims 1–14 were presented for examination. In the Office Action mailed on April 20, 2006, claims 1–14 were rejected as unpatentable over United States Patent Application Publication No. 2003/0033236 to Davenport et al. (hereinafter "*Davenport*") in view of U.S. Patent Application Publication No. 2003/0088494 to Lee (hereinafter "*Lee*").

We hereby amend the claims and respectfully request reconsideration in light of the arguments below. Support for these amendments may be found, for example, at pages 9, 10, 21–23, and 26 and Fig. 17 of the application as filed. We submit that no new matter has been introduced by these amendments. After the entry of these amendments, claims 1–20 will be pending in this application.

Existence of Related Applications

The Examiner's attention is directed to United States Patent Applications Nos. 09/664,226, 10/831,969, and 09/999,670, all assigned to the assignee of the instant application, for appropriate consideration.

The Claims, as Amended, are Patentable over *Davenport* and *Lee*

Claims 1–14 were rejected under 35 U.S.C. § 103 as unpatentable over *Davenport* in view of *Lee*. Applicants respectfully submit that the claims as amended are patentable in light of *Davenport*, alone or in combination with *Lee*.

Davenport

Generally speaking, *Davenport* provides "an algorithm for identifying a cost-minimizing bid set in a reverse combinatorial auction subject to various business rules for all-or-nothing bundled bids" and "a method for automatically generatig this algorithm in a form that can be used with commercial LP/IP solvers." ¶ 14.

In *Davenport*, potential suppliers in a procurement auction bid on items or combinations of items requested by a potential buyer. ¶ 36. The bids are subsequently taken from a database and placed into an array representation suitable for solution by a commercial linear programming/integer programming (LP/IP) solver. ¶ 40. The result is a solution to the "winner

determination" problem that includes a set of bids such that each item is included in at least one winning bid. ¶ 36. The system can structure the solution to limit the minimum and maximum number of winning suppliers; the minimum and maximum total quantity allocated to each supplier, and the reservation prices on each lot. ¶ 68–70.

However, *Davenport* fails to disclose any mechanism that allows a potential supplier to explicitly specify a business volume discount associated with a bid. Instead, *Davenport* discloses a system where potential suppliers implicitly adjust their bid pricing to account for a volume discount:

> This particular instance was generated randomly. For each supplier, a set of lots the supplier was interested in was generated, and a set of bids for different subsets of this set were also generated. A single bundled bid for a set of lots S would be for a lower price than that of the sum of the prices of any set of bids by the same supplier, which also, in total, covers all the lots in S.

¶75 (emphasis added).

Lee

Lee concerns a "system and method for market makers of electronic marketplaces to provide RFQ processes over a network." ¶ 9. A buyer creates an RFQ and submits it to an e-marketplace. ¶¶ 27-28. Sellers respond to the RFQ by submitting sell bids to the e-marketplace. ¶ 29.

In contrast to both *Davenport* and the applicants' invention, *Lee* requires the buyer to manually evaluate the submitted sell bids "to select ones that meet the buyer's need best." ¶ 31. See also ¶¶ 30, 32. Both *Davenport* and the applicants' invention provide computerized methods for evaluating submitted bids.

Claims 1 and Claim 8

As amended, claims 1 and 8 require receiving, from a candidate supplier, "an explicit offer of a business-volume discount that is triggered when a purchase from the candidate supplier of at least one unit of a first qualifying item and at least one unit of a second qualifying item has an aggregated volume within a defined volume interval" (emphasis added). One embodiment of the present invention, illustrated in Figure 17, allows a candidate supplier to do so using a webpage that specifies, e.g., prices per unit for particular quantities of an item. Once specified, a processor determines "an optimal award schedule comprising an optimal combination of

suppliers and a list of items to be ordered from each supplier to at least partially satisfy the purchase requisition utilizing the explicit offer of a business volume discount" (emphasis added).

Neither *Davenport* nor *Lee* teach a computer-implemented method for determining an optimal award schedule utilizing an explicit offer of a business volume discount. *Davenport* does not allow a user to explicitly specify a business volume discount. *Lee* requires a buyer to manually evaluate submitted bids from sellers.

Dependent Claims

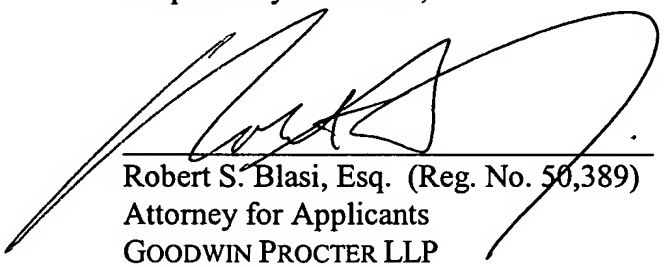
For these reasons, independent claims 1 and 8 are patentable over the references cited in the Office Action. The claims that depend therefrom, including new claims 15–20, are likewise patentable because they depend on a patentable base claim, and may also have additional patentable features.

CONCLUSION

In light of the foregoing, we respectfully submit that all of the pending claims are in condition for allowance. Accordingly, we respectfully request reconsideration, withdrawal of all grounds of rejection, and allowance of all of the pending claims in due course.

If the Examiner believes that a telephone conversation with the Applicants' attorney would be helpful in expediting the allowance of this application, the Examiner is invited to call the undersigned at the number identified below.

Respectfully submitted,



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